

Gifts, Loans and Intergenerational Support for Young Adults

Heath, S., & Calvert, E. (2013). Gifts, Loans and Intergenerational Support for Young Adults. *Sociology*, 47(6), 1120-1135. <https://doi.org/10.1177/0038038512455736>

Published in:
Sociology

Document Version:
Publisher's PDF, also known as Version of record

Queen's University Belfast - Research Portal:
[Link to publication record in Queen's University Belfast Research Portal](#)

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Sociology

47(6) 1120–1135

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DOI: 10.1177/0038038512455736

soc.sagepub.com



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Abstract

Young adults in the UK are increasingly dependent on family support to offset the costs of living independently. This article explores these complex intergenerational exchanges from the perspective of a group of single young adults in their mid-twenties to mid-thirties who had been in receipt of various forms of financial and material support from family members since leaving the parental home. We outline the nature of this support and then consider how these forms of assistance are understood by those in receipt of them. We conclude that the co-existence of a sense of both gratitude and discomfort which is often generated by these exchanges is managed but by no means resolved by a blurring of the boundaries between gifts and loans, a set of negotiations which may not even be an option amongst less advantaged young adults.

Keywords

gifts, housing, intergenerational support, loans, recession, young adults

Introduction

Amidst rising housing costs and restricted employment opportunities in the UK, younger generations are increasingly dependent on their families for material and financial support to offset the costs of living independently. It is estimated, for example, that in 2008 nearly half of first-time buyers aged under 30 received financial assistance from family members, rising to just over half in London and southern regions and two-thirds in Northern Ireland (CML, 2008). Rising debt levels (including student debt) amongst

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young adults have contributed to this picture (Andrew, 2010; Atkinson and Kempson, 2004; Callender and Wilkinson, 2006), such that ongoing dependency on family support has become a common feature of the lives of many young adults, colouring their experiences of independent living. Behind these reported trends lie complex intergenerational negotiations relating to obligations and responsibilities, indebtedness and gratitude, dependency and independence, fairness and equality. This situation has potentially significant consequences for inter- and intra-generational relationships, yet relatively little is known beyond limited survey evidence on the incidence of family support and anecdotal evidence concerning its consequences.

This article explores these issues from the perspective of a group of single young adults in their mid-twenties to mid-thirties, most of whom had received various forms of financial and material support since first leaving home, whilst others anticipated future assistance. Our intention is not to attempt to draw conclusions about the extent to which family support might have become normalised between parents and contemporary young adults. Rather, we explore how forms of assistance are understood by those in receipt of them and in particular whether forms of financial assistance are viewed as *loans* or as *gifts*. The first part of the article explores existing literature on gift-giving, loans and family support for younger generations. Following a brief introduction to our research, we outline the forms of support that our research participants had received towards the costs of living independently, before considering the terms in which these exchanges had been understood. We conclude that the co-existence of a sense of both gratitude and discomfort which was often generated by these exchanges was managed but by no means resolved amongst our participants by a blurring of the boundaries between gifts and loans, a set of negotiations which may not even be an option amongst less advantaged young adults.

Gift-giving, Loans and Family Support for Younger Generations

Global financial crises provide the backdrop to our research. The study was designed during a period when housing transitions were already proving increasingly challenging for young people (Heath, 2008) but prior to the bursting of the UK housing 'bubble' in 2008 (Bone and O'Reilly, 2010). Our fieldwork in 2010 was consequently conducted in the wake of what became the worst financial crisis in the UK since the 1930s, a crisis which has affected young people disproportionately (Howker and Malik, 2010). Young people's transitions to adulthood have been conceptualised in terms of 'delayed' or 'extended' transitions since earlier recessions of the 1980s and 1990s (Furlong and Cartmel, 2007), yet the UK's 'double dip' recession has reinforced the longer-established trend towards later independence amongst younger generations, including in terms of their ability to leave the parental home, live independently or settle down with a partner in their own home, whether rented or owner-occupied (Clapham et al., 2012; ONS, 2012). Within this context, the role of intergenerational transfers in offsetting the costs of independent living became an increasingly important issue over the life of the project, and remains so.¹

Existing research on support towards the costs of living independently amongst younger generations has tended to focus on intergenerational transfers specifically related to home ownership rather than renting or living costs more generally (e.g. Engelhardt and Mayer, 1994; Guiso and Japelli, 1999; Helderman and Mulder, 2007; Kurz, 2004; Olsberg and Winters, 2005; Santorelli and Cottone, 2009). It has been estimated that the proportion of UK first-time buyers under 30 who were dependent on financial support from family members rose from 10 per cent in the mid-1990s to around 40 per cent by the mid-2000s (Blackwell and Park, 2011; Tatch, 2007) and to around half by 2008 (CML, 2008). Furthermore, many mortgage products available to first-time buyers are premised on some form of parental contribution, including equity release schemes (Toussaint and Elsinga, 2009). Andrew (2010) cites a 2004 MORI Omnibus Survey that found that 55 per cent of parents, rising to 73 per cent amongst parents living in owner occupation, expected to provide financial support towards a child's house purchase, most commonly as a gift. The average anticipated sum was just over £17,000 which in concrete terms, Andrew argues, would allow a typical male graduate to purchase a house in his mid-20s rather than his early 30s. Figures on *actual* parental assistance are, however, difficult to find. One recent survey claimed that 18–29-year-old women had, on average, received £2,427 from parents during 2010/11 (not necessarily exclusively for housing costs), compared with £2,017 amongst their thirty-something counterparts. Comparable figures for men were £1,113 for 18–29-year-olds, rising to £5,542 amongst 30–39-year-olds (Sainsbury's Finance, 2011), the gender differences possibly reflecting later home-leaving amongst men.

Depending on the sums involved, financial assistance can have a considerable impact on the timing of home ownership, the amount of saving required, the nature of mortgage arrangements and the quality of housing that is purchased (Engelhardt and Mayer, 1998; Guiso and Japelli, 1999). Engelhardt and Mayer (1994), for example, found that although only around one in five US first-time buyers received financial assistance from relatives towards down-payments during the 1980s, the average sum involved equated to roughly half of the amount required. Parental assistance towards housing costs is, then, an important way in which social inequalities are reproduced intergenerationally, with existing homeowners far more likely than non-homeowners to be in a position to assist their adult children in this manner (Helderman and Mulder, 2007; Kurtz, 2004). Engelhardt and Mayer (1994) also note that first-time buyers with family support tend to be regarded favourably by mortgage providers, on the assumption that they can access a 'familial safety net'.

A central issue in considering intergenerational financial exchanges is whether the assistance that is given is perceived as a gift or a loan, and whether it is perceived in the same terms by both the giver and the receiver. The norm of reciprocity (Gouldner, 1973) suggests that some form of reciprocation will, sooner or later, almost invariably follow receipt of a gift. Yet reciprocation of a monetary *gift* is potentially quite different from the repayment of a monetary *loan*. Repayment of a financial transfer which has been established from the outset in terms of a loan is overtly anticipated, with repayment usually expected in the same monetary form. Whilst gifts may fail to be reciprocated (although, in some form or other, they usually are), loans by definition are expected to be repaid (although repayment may not in fact always follow). Regardless of these distinctions,

monetary gifts and loans *both* present a complicating case to those made in other forms, as the precise exchange value of the object involved – cash – is explicit, in contrast to the rather more indeterminate value of gifts and loans in non-monetary forms (Gregory, 1982: 19; Simmel, 1950: 391). The principle of ‘rough equivalence’, which results in ambiguity and uncertainty as to who is in debt to whom, is less likely to be applied in cases of monetary assistance, given that the exchange value of the original gift or loan is fixed and transparent to both parties. If both are in agreement on the status of the exchange (as either gift or loan) then expectations should be relatively clear, even if they are subsequently breached. If there is uncertainty, ambiguity or outright disagreement about the status of the exchange, then expectations will be unclear from the outset, with great potential for misunderstanding between the parties involved. Yet Hill (1970) has argued that even if donors and recipients are aware of distinctions between gifts and loans in principle, such distinctions are often unclear in practice.

According to Gouldner (1973: 243), the level of indebtedness felt by a recipient (and, presumably, the extent to which they feel that reciprocity is appropriate) reflects four key considerations: the intensity of need, the resources available to the donor, their motives, and the extent to which they may feel constrained to give. Yet such considerations may be rather more complex in the context of relationships which might be expected to be governed by some degree of ‘status obligation’, such as the parent–child relationship and other family relationships. In such cases, giving may be regarded as ‘the proper thing to do’ by the donor and/or the recipient (Finch, 1989), almost regardless of the resources available to the donor and even in the absence of potential reciprocation (whether due to a lack of resources or because reciprocation is considered unnecessary or inappropriate). Empirical research on the negotiation of familial responsibilities suggests, however, that intergenerational obligations are rarely as clear cut as the foregoing analysis suggests. Finch and Mason (1993) concluded that, of all family relationships, the parent–child relationship is the one that comes closest to having fixed responsibilities attached to it. Yet even this relationship lacks a general consensus on ‘the right thing to do’ in any given set of circumstances. Nor is support necessarily automatic or unlimited, instead remaining heavily contingent on specific circumstances. Finch and Mason found that for a claim for support to be met it needed to be seen as *legitimate*, and the potential recipient needed to be regarded as *deserving* of help. Help was also more likely to be offered when fairly limited assistance was required, whether in terms of time, effort, or material aid.

Finch and Mason’s research was partly based on a face-to-face survey which included vignettes exploring scenarios in which relatives might assist each other. The scenarios focused on hypothetical third parties, rather than participants’ own practices, and were designed to identify any normative consensus surrounding family support. Responses revealed remarkably few circumstances in which a responsibility to help was seen to lie clearly with relatives, including in relation to examples of support that children might seek in young adulthood. One vignette, for example, asked ‘If a student runs up £400 in debts while at college, do you think that parents should pay off the debt, even if it means some financial hardship for them?’.² Only one in four respondents agreed that parents should help, with a further one in 10 arguing that ‘it depends’. Another vignette asked:

Suppose a young couple need an extra £800 for the deposit for their first home and they cannot borrow the money from a bank, building society or loan company. Should they wait to buy a home until they have got enough money, or should they see if they can borrow it from relatives?³

In these circumstances, a slightly higher proportion argued that family members should help, but only just over a third, with 62 per cent stating that they should wait and only 3 per cent arguing that 'it depends'. The conditions of legitimacy and deservedness could explain responses to the first vignette, as it might have been considered that students who experienced debt during a period (the mid-1980s) when generous levels of state support for students still existed failed to fulfil either. The lack of clarity as to whether the assistance is intended as a loan or a gift and the hint of possible parental financial hardship may also have swayed respondents against intervention. The second vignette included no suggestion of undeservedness, yet support for family assistance (in this case explicitly stated to be a loan) remained limited. Again, the timing is critical; despite rising unemployment during this period, the housing market remained buoyant well into the late 1980s, with a deregulated financial sector offering cheap mortgages and council housing sold to former tenants at heavy discounts. Accordingly, respondents may have felt that a young couple merely required patience in order to find an affordable property or mortgage product. Nonetheless, these responses suggest the absence of a normative consensus regarding financial support to younger generations during this period, although subsequent qualitative interviews revealed high expectations, and many concrete examples, of parental support. Most adult children in the study wanted any parental support to be regarded as a loan, whereas most parents felt that they had a continuing responsibility to support their children into adult life and did not expect recompense.

Exchanges explicitly based on *gifts* from parents to children appear to constitute examples of Gouldner's category of 'something for nothing'. Gouldner describes the desire to receive something for nothing as 'the yearning of the "unrealistic" young' who 'have little to give in return for what they want' (1973: 268). He observed that generous parental support towards (particularly middle-class) children had created a situation in the USA where any sense of the norm of reciprocity was being eroded within the parent-child relationship:

The connection between what middle class children are given, and what they are expected to do, becomes so attenuated that this 'return' loses its salience and clarity; it almost seems as if nothing were given or expected in return. Such reciprocities as undoubtedly remain have become harder to see, so that on the one hand a norm of reciprocity comes to be seen as 'harsh' and a norm of beneficence is easier to demand and defend. (1973: 273)

Adults, he argues, are in contrast either willing to reciprocate or are at least willing 'to settle for something for something' (1973: 273): 'the self of reciprocity has, in short, made the appropriate sacrifice to be admitted to the world of adults' (1973: 269). An expectation of reciprocity is, then, regarded by Gouldner as a marker of adulthood, whereas expecting something for nothing provides evidence that full adult status has not yet been attained. Writing 25 years later, arguing for the existence of 'post-adolescence' as a new lifestage for an emergent cultural elite of highly educated young people, Du Bois-Reymond (1998) made a similar point. She noted 'a certain nonchalance' concerning

pathways towards independence amongst this group, 'brought about by their social origin: they know that they are backed up by their parents' financial and cultural resources' (1998: 71). Others have made similar claims concerning contemporary young adults (e.g. Arnett, 2004; Côté, 2000) and, like Gouldner, have argued that ongoing reliance on parental resources represents a compromise to any claims to adult status. Côté and Arnett were both writing in a North American context and during rather more prosperous times; yet contemporary young Britons – graduates included – are part of a generation with heavily restricted opportunities relative even to those of the generation immediately above them. Indeed, the current financial crisis has been popularly portrayed as an intergenerational struggle over finite resources, with older generations having sacrificed the interests of younger generations in securing their own relative financial advantage (Howker and Malik, 2010; Willetts, 2010). This puts an interesting spin on claims that younger generations expect 'something for nothing' or are acting out of a sense of 'entitlement'.

Introducing the Research: Single Young Adults and their Housing Pathways

The research drawn upon below was funded under the work programme of the ESRC Centre for Population Change (CPC). One of three linked projects focusing on household change across the life course, our research focused on the housing pathways of single young adults in their mid-twenties to mid-thirties who in 2010 were living in and around a southern English city. The city's housing profile, with twice the national average of privately rented accommodation, and its relatively high levels of multiple deprivation are both unusual within the prosperous south-east. The research explored: (i) the extent to which independent living is underpinned by transfers of resources between older and younger generations, as well as between friends and partners; (ii) the implications of these transfers for young people's intimate relationships with friends, partners, and family members; (iii) the interactions between housing and household pathways; (iv) 'imagined futures' in relation to housing and household and family formation; and (v) strategies adopted by young people in seeking to satisfy their housing needs and desires. Fieldwork consisted of 37 qualitative interviews, each beginning with the completion of a housing history grid to track participants' housing pathways since first leaving home. Participants then narrated their housing histories in their own terms before more focused questions were asked concerning: returns to the parental home; their current housing situation; the nature of their family and friendship networks; forms of support received from these networks; their housing ambitions and aspirations; their views and experiences of different housing tenures; and how their experiences compared with those of siblings and friends.

Our sample comprised 22 women and 15 men, aged between 25 and 34,⁴ and with a mean age of 29. With one exception (a British South Asian woman), all were white British. As a condition of our sampling strategy, all had achieved residential independence (19 lived alone, 14 in shared households and four were lodgers) and all were single in the sense of not living with a partner, although many had non-coresident partners or had previously lived with a partner. Reflecting the dominance of the private

rented sector in the locality, 31 were private tenants (with one tenant also owning a house which she rented out), five were owner-occupiers (with a further three actively engaged in house-hunting and another finalising a house purchase at the time of the research) and only one participant lived in social housing.⁵ Most participants (33) were employed full time, with one full-time student and three unemployed participants. This high level of employment reflects our most fruitful sampling strategy: inviting participation via the email lists of large regional employers. It also highlights a bias in our sample towards graduates, with 28 participants having at least a bachelor's degree (in many cases as first generation entrants to higher education). We recognise that this places limitations on our ability to generalise to broader populations of young adults, yet our sample nonetheless shares much in common with Du Bois-Reymond's (1998) 'post-adolescents' and with similar groups identified in the aforementioned research of Côté (2000) and Arnett (2004), as well as in earlier research by Heath (Heath and Cleaver, 2003; Heath and Kenyon, 2001).

The Nature and Scope of Intergenerational Support

This section summarises the nature and extent of financial exchanges involving participants and their parents (and sometimes other relatives). A small minority had not received any assistance beyond monetary gifts at Christmas or birthdays, in some cases due to their families' constrained financial circumstances, in others because they wished to retain financial independence. Subsidised or rent-free living in the parental home had also provided a very significant form of support for most participants at least once since first leaving home (Berrington et al., 2009), and remained for most a possible – yet undesirable – fallback option, but does not form the focus of this article.

The nature and extent of support varied considerably amongst those who had received financial assistance from relatives. Many reported both ad hoc and more regular assistance towards offsetting their general living expenses, usually reported as gifts rather than loans. These ranged from 'the odd twenty pounds' towards household bills through to a gift of £1000 towards 'bedding and things like that' on first leaving home, and a monthly £200 payment from a single mother to her mature student daughter. Several reported overdraft and credit card 'bail outs', alongside examples of parents covering car-related expenses, including insurance and maintenance costs. There were many examples of gifts in kind, including regular and ad hoc gifts of food, clothing and household goods such as cleaning materials and toiletries, electrical goods and furniture, travel tickets, holidays and restaurant meals, and household repairs and improvements. Although not all such gifts were directly related to housing expenses, they nonetheless offset general living costs, of which housing remained the major element. More significantly, there were examples of properties purchased by parents and/or grandparents as investment opportunities, which were then let to participants at subsidised rents. Additionally, one participant had rented her aunt's buy-to-let flat at a slightly reduced rent, whilst another lived in her mother's house at a subsidised rent whilst her mother lived with her grandfather.

Regarding more substantial monetary exchanges directly related to housing costs, there were examples of parental loans and gifts of several thousand pounds apiece to cover rental or mortgage deposits. These included loans of £575 and £3000 to cover rental deposits (several months rental were expected in advance in relation to the larger sum), a £2000 gift towards a house deposit, and an £8000 gift towards a mortgage deposit and solicitors' fees. In another example, a daughter received £2000 from her parents in order to increase her deposit and thus qualify for a better mortgage deal. There were also several examples of generous legacies from grandparents. Although exact sums were not always revealed, they were of sufficient magnitude to constitute sizeable mortgage deposits. In one instance, the sum involved was £30,000, whilst another participant had inherited a sum 'equal to quite a large deposit on a flat'. In addition, there were several examples of 'advance legacies', including four grandparents together providing a deposit of sufficient generosity to require only 'a little mortgage on top'. Finally, one participant received £38,000 from her mother in order to buy out her ex-partner's share of their joint mortgage. Her father had planned to release equity by remortgaging his house; following his unexpected death, the sum was provided by her mother directly from her late husband's life insurance payment.

Gifts, Loans and the Ambiguous Status of Financial Exchanges from Parents to Children

Most participants had, then, received varying degrees of financial assistance from parents (and, in some cases, other relatives, mainly grandparents) since first leaving the parental home. A critical issue that emerged from our data related to the frequently ambiguous status of these financial exchanges. The boundaries between gifts and loans were often extremely blurred, at least in the accounts that were elicited, highlighting some very complex negotiations. Most participants were at pains to emphasise that assistance had been both unsolicited and subject to offers of repayment. In many cases, repayment had been immediate or not long in coming. Stephen, for example, a planning officer aged 29, had received help from his parents in paying the deposit on a flat at a time when he had no income. His parents offered assistance, as 'they knew that I'd no money really'. When asked how he had felt about this, he commented that 'well, I suppose I'm pretty independent so I did feel a bit awkward doing that. But I've paid them back.' David, 25, a human resources coordinator, provided a similar example of receiving a short-term loan for a very specific need, the costs of travelling home (overseas) for Christmas. He noted that it had always been clear that the money was a loan, and he had repaid it the following month. And Jackie, 26, unemployed, whose mother often bought clothes for her, said that she would feel guilty if she didn't repay her, and this was clearly the expectation between them: 'she knows she's got that insurance, and she trusts me to do that'. In other cases, participants were clear that financial assistance was intended as a gift, yet were uncomfortable about receiving help on these terms. Mary, for example, a legal secretary, 26, explained that her parents had been incredibly generous since she had left home, including during a period of serious financial difficulty, yet it often proved difficult to repay them:

[Financial assistance] always comes in the shape of a brown envelope and you don't get to say anything about it. And you can argue as much as you want that you don't want it, but you have to have it. No, I've never asked them for anything. I think that's why they always give, because I've never [asked]. And we always row about money, you know. I mean I had to borrow the money off them to go bankrupt, because it was five hundred and ten pounds and they wouldn't take it back. So I just went in and put it in my mum's bank, because she wouldn't take it back.

Speaking of the 'extra couple of grand' that her parents had contributed to her mortgage deposit, Gail, an engineer, 25, similarly expressed the view that 'I think they would probably be fine with it being a gift, but for me, I would like to pay that back, probably quite slowly, but definitely for me it's a lend and I want to pay that back'. As yet, though, repayment had not occurred.

In many other cases the exact status of the transaction appeared unclear. In the following examples, Hattie refers to regular sums of £100 paid directly into her bank account by her father while she was at university to defray her general living costs, whilst Jeff and Bryan refer to one-off sums of several thousand pounds apiece, also provided by their fathers, in order to secure tenancies on flats earlier in their twenties:

Sometimes it was a gift and sometimes it was a loan. Generally it was thought of as a loan so that, because I don't like taking money off of people, so my dad was like well you can pay me back like when you've got a job and then it never actually got paid back. Sometimes I'd pay it back to him within like a few months. (Hattie, stockbroker, 25)

I always saw it as a loan, but that's not true. I thought to myself I should see it as a loan, and I probably actually just used it as a gift. I mean I've certainly never made any kind of reparation for it or made any payments towards the amount, so . . . (Jeff, housing advisor, 33)

I think it was a lend, but, and I don't think I have actually paid it back, but yeah and I don't think I really have to. They haven't forced the issue that much . . . Well, sometimes I'll offer to pay something back and they'll say actually don't worry about it, I think it's that kind of lend really, so yeah, and so I won't. (Bryan, administrator, 28)

'That kind of lend' is a revealing categorisation: it seemed to refer to exchanges which, whilst described in terms of a loan and generally 'thought of as a loan' often, in practice, turned out to be gifts. This seemed to be a fairly widespread phenomenon. We heard several accounts, for example, of parents explicitly telling their child that their assistance should be considered a loan but who had subsequently either refused to accept repayment or had made (at least full) repayment difficult, although it was often stressed that this was not for want of trying. Valerie, for example, a planning officer, 25, noted that:

My dad used to, when I was away on my career break, he used to put money into my account. That was always on the pretext of me wanting to pay him back when I got home, but he won't let me, so . . .

A further common strategy in relation to 'that kind of lend' was to avoid asking too many questions of parents about the status of an exchange or reminding parents about the existence of the debt unless they raised it themselves. Jeff's comment ('I thought to myself *I should see it* as a loan, and I probably actually just used it as a gift') suggests, though, that this was not always a comfortable moral position, as he seems to hint at

some unease about receiving money from his parents without at least some attempt at repayment. The difficulty partly stemmed from what was often presented (to us) as an absence of parental clarification, leaving many merely to assume that their parents' financial assistance was a gift. The most extreme example relates to the experience of Sara, whose £38,000 mortgage buy-out was covered by her father's life insurance payment, yet even Sara (administrator, 33) expressed uncertainty about its status as a loan or a gift:

- Interviewer: And so the money that your mother then would have given you, was that a gift or a loan?
- Sara: We never really discussed it. She was discussing it with the mortgage broker and I was sitting in the chair. And I didn't want her to do it at first, but to be honest there was no logical decision. And it also was part of what my father would have wanted. You see when my father died, his was a simple will; everything he had goes to my mother. So there was nothing for me or anything like that, made out for me separately or anything like that. But because this was something my parents both wanted for me, they're very traditional about me having a secure base and stuff like that, she gave it me as a gift I think.

This is a particularly striking example, not only because of the very large sum involved or because it relates in effect to inherited money, to which Sara may have felt she had a particular right. What is also striking is that in later comments Sara expressed a belief that financial transfers from parents to children were part of the status obligations of parenthood. Speaking of a friend whose father had declined to support her friend in buying a house, Sara noted that 'I couldn't see how he couldn't help her, because she was his child, and he was her father, so she was his child, and she needed finance.' For Sara, then, there was no question that parents had an obligation to support their children, but she viewed this as part and parcel of an expectation that she would be required to reciprocate in kind at a future point. As such it seemed reasonable to Sara to regard the £38,000 as a gift – almost as a down payment on services which would be rendered in return by her at a later date:

(. . .) it's kind of a natural progression. You either get it now or later. That's the way my family has always played it and possibly because I'm a spoilt brat anyway – not a spoilt brat, but an only child. The way I always see it, if you're the only child, you tend to get, because you are the person who will end up having to look after the parents. And I do, I have looked after my parents a lot, especially my mum in recent years, but my dad too, you know. I think in terms of how my father would have felt, is 'why shouldn't she have it now rather than later', and in the sense I need it now rather than later . . . It's not always the most comfortable feeling that you need the financial support, but you take it because it's kind of natural . . . it's my family money anyway . . .

It would seem, then, that the £38,000 was a gift only in the sense that it did not require *monetary* repayment. Sara did not expect 'something for nothing', but saw the exchange as part of a longer term intergenerational contract associated with her obligations as a daughter.

Legacies from grandparents were less ambiguous in status, as they were self-evidently intended as gifts (although they could be construed as a final act of reciprocity for being a 'good' grandchild) and were impossible to repay. Yet potentially they could still present complex challenges to participants' self-identity. Carol, for example, described her efforts to emulate her parents' example of living modestly and within their means. She had never expected financial support from them, especially in relation to buying a property ('I wouldn't want to call on them for it. I really, really wouldn't'). However, much to Carol's surprise she had inherited a large sum of money from a grandparent, equal to 'quite a large deposit for a flat'. This bequest had left her 'quite conflicted':

... I have never thought of our family as the sort of family that relies on inherited wealth, it just is not, and then it turns out it is [. . .] To be honest, I'm really struggling to sort of incorporate this inheritance into my . . . my biographical narrative, I just cannot integrate it at all. You know, in terms of my sense of, you know, what's possible has been changed, but actually you know it's not something I have changed for myself. It's been changed by something that happened completely externally.

This exemplifies Schwartz's assertion that the presentation of a gift can be interpreted as an imposition of identity, making public the giver's 'idea of others' and also confirming the identity of the giver 'by presenting it to others in objectified form' (1967: 2). As Carol's comments imply, to accept the gift would be to unwillingly accept the definition of self imposed by the giver: in this case, a definition which was at odds with Carol's self-perception of most emphatically *not* coming from 'the sort of family that relies on inherited wealth'. Only a rejection of the gift (or perhaps using it for a different purpose to that intended by her grandmother) would result in 'affirming the selfhood whose status an acceptance would threaten' (1967: 3), yet Carol acknowledged that this was unlikely to happen. As things stood, she was not yet in a position to settle in one location, so could defer a decision. Yet she hinted that she would ultimately use the gift as a mortgage deposit, despite her unease. Not only was this a gift that she could not repay, it was also one that she could not refuse. As Finch and Mason (2000) argue, inherited money can indeed be 'difficult money'.

The extent to which participant accounts should be taken at face value is of course a moot point, as these were situated narratives of individuals being asked to account for and make sense of very complex and nuanced negotiations, negotiations which may have been equally ambiguous to their parents. A loan could sincerely start out as a loan yet mutate into a gift, and vice versa; these exchanges were not necessarily categorically fixed and were contingent on the shifting circumstances of both donors and recipients. Parents may also encourage such ambiguity as a lesson for their children in learning to manage their finances, feeling that it is good that they experience feelings of obligation and indebtedness. These accounts could also be interpreted as face-saving narratives, fuelled by participants' desire to present themselves to us, and to make sense of their own actions, in the best possible light. Viewing the accounts in this way helps us to understand a statement such as Bryan's when he noted that '*I don't think I have actually paid it back*'. Whilst not discounting that this might well be so, claiming not to know could also be interpreted as a studied nonchalance about the existence of indebtedness to

parents. We are conscious too that other forms of moral identity work were doubtless at play in interviews, with participants anxious to present themselves to us as a particular kind of person in relation to financial independence. This was most striking in participants' frequent assessments of their own 'responsible' financial behaviours in comparison with the 'irresponsible' behaviours which they attributed to certain of their siblings: their own moral positions were invariably presented as unassailable, in contrast to those of their siblings, an issue which we intend to pursue in a further paper.⁶

Discussion and Conclusions

In this article we have explored negotiations surrounding the provision of material and financial support from parents to children to offset the costs of living independently through presenting an analysis of data generated in research on the housing and household pathways of single young adults in their mid-twenties to mid-thirties. Most participants had received both regular and ad hoc forms of material and financial support from parents, and sometimes from other relatives. Whether or not they could have managed without such assistance is a moot point; the answer is probably 'yes they could', but for many their experiences of independent living would have been impoverished without it, with a particular impact on the quality of the housing available to them. Yet this support came at a price, often expressed in terms of a feeling of unease, fuelled by awareness that their independence and autonomy as young adults had been compromised by their ongoing dependency. There are echoes here of Gouldner's assertion that indebtedness can result in a sense of helplessness, unconditional dependence and a lack of autonomy (1973: 271). This uneasy co-existence of gratitude and discomfort was managed but by no means resolved by a blurring of the boundaries between gifts and loans.

Earlier in the article, drawing on Gouldner's work on reciprocity, we asserted that monetary assistance given as a loan is by definition *expected* to be repaid, and usually in the same monetary form. This is in contrast to monetary assistance in the form of a gift, in relation to which reciprocation is neither necessarily expected nor necessarily made in the same monetary form. We argued further that the principle of 'rough equivalence' was less likely to be applied in cases of monetary assistance, given that the exchange value of the original gift or loan is fixed and transparent to both parties. Yet our analysis suggests that each of these assertions is questionable in relation to forms of assistance passed down from parents to their single young adult children. The refusal of repayment or partial repayment at best appeared to be very common in relation to forms of financial assistance which were supposedly given as loans. The repayment of loans was also treated by some participants in a similar fashion to the reciprocation of gifts, inasmuch as they felt that repayment did not have to be immediate and could be made far into the future, and in kind as well as in monetary form. As such, both gifts *and* loans made by parents to children could be considered to be elements of an intergenerational contract of mutual support and assistance, a process which will play out over the life course. When taking this longer term view, what might be regarded as an expectation of 'something for nothing' is anything but.

All of the participants in our research were by definition residually independent, yet many remained financially and materially dependent on their parents to varying

degrees. This had the potential to undermine their independence in other areas of their lives, yet there was little direct evidence to support Schwartz's (1967: 4) speculation that this would result in recipients feeling that they should 'accept the orders of the giver', or that they felt that the assistance they received came 'with strings attached' in the here and now (as opposed to the longer term, as discussed above). That is not to say that this did not occur, merely that few participants admitted to it, which may be unsurprising as these processes are likely to operate subtly. Our data did, though, provide some support for Schwartz's claim that a gift can be interpreted as an imposition of identity. For example, the largest sums of support tended to be confined to assistance with mortgage deposits, rather than assistance with rental costs or other large items of expenditure. Home ownership as an ideal and as a deserving case for intergenerational support was thus reinforced within many families: as one participant put it when referring to how his parents had 'thrown in' an additional £2000 to his mortgage deposit, 'it's sort of the aspiration that somebody has, in that middle-class upbringing that I had'. Loans or gifts towards the cost of a mortgage deposit may very much objectify the donor's views on the desirability of home ownership, regardless of the recipient's views. What we do not know is 'whether some parents deliberately withhold gifts from children who do not wish or intend to become homeowners' (Helderman and Mulder, 2007: 234). In a societal context where renting is often represented in terms of 'throwing good money after bad', many parents – especially those who are homeowners – may be reluctant to provide substantial assistance towards the costs of private renting when the same sums could be put towards a deposit or mortgage payments.

In concluding, we wish to reflect upon the class bias within our sample. We are aware that this is largely a group of relatively privileged university-educated young adults, mainly employed in professional occupations and many, but by no means all, with parents who are or were in professional occupations and who are owner-occupiers. This is a group which traditionally has had high expectations of accelerated routes into home ownership (Andrew, 2006). Most of our participants still retained such expectations, yet were struggling to achieve their housing aspirations on the basis of a single income and/or without family support. Their often negative experiences of the private rented sector were such that few aspired to remain within this sector if they could choose otherwise, yet they could see little alternative for the foreseeable future. Interestingly, when asked whether the recession had directly impacted upon their housing transitions, most felt that it had not, or only marginally, as they perceived their current housing difficulties to be merely a continuation of difficulties that pre-dated 2008. Inaffordability, rising rents and restricted mortgage opportunities thus provided the taken-for-granted backdrop to their lives as young adults, even though their accounts were actually full of examples of how these conditions had been exacerbated since 2008 and how their aspirations had diminished accordingly. Writing in the context of research conducted in the late 1990s, Ford et al. (2002) identified the housing trajectories of graduates as a privileged and protected pathway to residential independence. Our research suggests that, just over a decade later, the housing transitions of even this group are much less cushioned, with many increasingly reliant on their families for financial support. Yet risk in this regard is by no means equally distributed. For those in our sample who were first generation entrants to university, their parents often had relatively modest means at their disposal. For those from

more established middle-class families, the support that parents (and often grandparents) were able to provide often reinforced middle-class advantage in a particularly powerful way, adding to the prospect of home ownership becoming ever more the preserve of the children of existing homeowners. We can only conclude that the housing prospects of young adults from less affluent backgrounds, who are much less likely to have ready access to parental financial resources, are even more precarious: for this group, engaging in complex negotiations over whether an exchange is either a gift or a loan, in the likely absence of both, may be yet another luxury which they cannot afford.

Acknowledgements

We are indebted to all those who took part in the research. Many thanks too to Jennifer Mason and to the two anonymous reviewers for their helpful comments on earlier drafts.

Funding

This research was funded by the Economic and Social Research Council as part of the work programme of the ESRC Centre for Population Change (Grant reference number RES-625-28-0001).

Notes

1. This situation has been exacerbated by recent housing policy reforms, in particular the extension of the Shared Accommodation Rate for housing benefit to under-35-year-olds (until January 2012 confined to under-25-year-old claimants). The Prime Minister's proposals in June 2012 to remove housing benefit from under-25s would only compound this situation.
2. By today's standards of student debt this remains a remarkably low sum. The purchasing power of £400 in the late 1980s would, in 2012, be between £900 and £1250 depending on the index used (<http://www.measuringworth.com/ppoweruk/>).
3. This is equivalent to between £1800 and £2500 in 2012, depending on the index used, sums not dissimilar to those involved in parent-child exchanges amongst many of our sample members.
4. This age group reflects that used in parallel demographic research by CPC colleagues: see Berrington et al. (2009); Stone et al. (2011).
5. Attempts were made to recruit sample members living in social housing via gatekeepers working in this sector, but very few volunteers came forward who met our criteria.
6. Interestingly, it was clear that many transactions and exchanges involving our participants were kept secret from other siblings; presumably the same was true in relation to those involving these other siblings, which has implications for the veracity of these 'moral tales', which were often as much about fairness and justice as they were about moral responsibility.

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Date submitted February 2012

Date accepted June 2012